

BEFORE  
THE PUBLIC SERVICE COMMISSION OF  
SOUTH CAROLINA

In Re:

Petition of Charter Fiberlink SC – CCO, LLC	)	
For Arbitration of Certain Terms and	)	
Conditions of Proposed Agreement with	)	
Chesnee Telephone Company, Inc.	)	Docket No. 2006-137-C
Concerning Interconnection under the	)	
Communications Act of 1934, as amended by	)	
the Telecommunications Act of 1996	)	

In Re:

Petition of Charter Fiberlink SC – CCO, LLC	)	
For Arbitration of Certain Terms and	)	
Conditions of Proposed Agreement with	)	
West Carolina Rural Telephone Cooperative, Inc.	)	Docket No. 2006-138-C
Concerning Interconnection under the	)	
Communications Act of 1934, as amended by	)	
the Telecommunications Act of 1996	)	

In Re:

Petition of Charter Fiberlink SC – CCO, LLC	)	
For Arbitration of Certain Terms and	)	
Conditions of Proposed Agreement with	)	
Lockhart Telephone Company	)	Docket No. 2006-139-C
Concerning Interconnection under the	)	
Communications Act of 1934, as amended by	)	
the Telecommunications Act of 1996	)	

In Re:

Petition of Charter Fiberlink SC – CCO, LLC	)	
For Arbitration of Certain Terms and	)	
Conditions of Proposed Agreement with	)	
Piedmont Rural Telephone Cooperative, Inc.	)	Docket No. 2006-142-C
Concerning Interconnection under the	)	
Communications Act of 1934, as amended by	)	
the Telecommunications Act of 1996	)	

DIRECT TESTIMONY OF  
DOUGLAS DUNCAN MEREDITH  
ON BEHALF OF

CHESNEE TELEPHONE COMPANY, INC.  
WEST CAROLINA RURAL TELEPHONE COOPERATIVE, INC.  
LOCKHART TELEPHONE COMPANY, AND  
PIEDMONT RURAL TELEPHONE COOPERATIVE, INC.

July 20, 2006

## TABLE OF CONTENTS

Introduction.....	1
Consolidated Common Issues.....	3
Issue No. 1 .....	4
Issue No. 2 .....	12
Issue No. 3 .....	15
Issue No. 4 .....	17
Issue No. 5 .....	19
Issue No. 6 .....	20
Issue No. 8 .....	21

1

## INTRODUCTION

2 **Q: Please state your full name, place of employment and business address.**

3 A: My full name is Douglas Duncan Meredith. I am employed by John Staurulakis,  
4 Inc. (JSI). JSI is a telecommunications consulting firm headquartered in  
5 Greenbelt, Maryland. My office is located at 547 Oakview Lane, Bountiful, Utah  
6 84010.

7

8 **Q: Please describe your professional experience and educational background.**

9 A: At JSI, I am the Director of Economics and Policy. In this capacity, I assist  
10 clients with the development of policy pertaining to economics, pricing and  
11 regulatory affairs. I have been employed by JSI since 1995. Prior to my work at  
12 JSI, I was an independent research economist in the District of Columbia and a  
13 graduate student at the University of Maryland – College Park.

14

15 In my employment at JSI, I have participated in numerous proceedings for rural  
16 and non-rural telephone companies. These activities include, but are not limited  
17 to, the creation of forward-looking economic cost studies, the development of  
18 policy related to the application of the rural safeguards for qualified local  
19 exchange carriers, the determination of Eligible Telecommunications Carriers  
20 (“ETC”), and the sustainability and application of universal service policy for  
21 telecommunications carriers.

1 In addition to assisting telecommunications carrier clients, I have served as the  
2 economic advisor for the Telecommunications Regulatory Board of Puerto Rico  
3 since 1997. In this capacity, I provide economic and policy advice to the Board  
4 Commissioners on all telecommunications issues that have either a financial or  
5 economic impact.

6  
7 I participate or have participated in numerous national incumbent local exchange  
8 carrier and telecommunications groups, including those headed by NTCA,  
9 OPASTCO, USTA, and the Rural Policy Research Institute. My participation in  
10 these groups focuses on the development of policy recommendations for  
11 advancing universal service and telecommunications capabilities in rural  
12 communities and other policy matters.

13  
14 I have testified or filed pre-filed regulatory testimony in various states including  
15 South Carolina, Vermont, New Hampshire, New York, Michigan, North Dakota,  
16 South Dakota, Texas and Wisconsin. I have also participated in regulatory  
17 proceeding in many other states that did not require formal testimony, including  
18 Florida, Louisiana, Mississippi, North Carolina, Puerto Rico, Utah, and Virginia.  
19 In addition to participation in state regulatory proceedings, I have participated in  
20 federal regulatory proceedings through filing of formal comments in various  
21 proceedings and submission of economic reports in an enforcement proceeding.  
22

1 I have a Bachelors of Arts degree in economics from the University of Utah, and a  
2 Masters degree in economics from the University of Maryland – College Park.  
3 While attending the University of Maryland – College Park, I was also a Ph.D.  
4 candidate in Economics. This means that I completed all coursework,  
5 comprehensive and field examinations for a Doctorate of Economics without  
6 completing my dissertation.  
7

8 **Q: On whose behalf are you testifying?**

9 A: I am testifying on behalf of Chesnee Telephone Company, Inc. (“Chesnee”), West  
10 Carolina Rural Telephone Cooperative, Inc. (“West Carolina”), Lockhart  
11 Telephone Company (“Lockhart”) and Piedmont Rural Telephone Cooperative,  
12 Inc. (Piedmont”) (collectively referred to as “RLECs”).  
13

14 **Q: What is the purpose of your testimony?**

15 A: My purpose is to testify regarding the eight consolidated common issues  
16 identified by Charter Fiberlink (“Charter”) in the above captioned Dockets.  
17

### 18 **CONSOLIDATED COMMON ISSUES**

19 **Q: Please identify the unresolved issues common to the consolidated four**  
20 **petitions for arbitration.**

21 A: The unresolved issues common to the four petitions for arbitration are issues No.  
22 1, 2, 3, 4, 5, 6 and 8 (I am basing my numbering identification on the three

1 petitions for Chesnee, West Carolina, and Lockhart. The same issues are in the  
2 Piedmont petition but are numbered differently as issues 6, 7, 8, 9, 10, 11 and 13.)  
3

4 **Q: If there is one theme or issue related to many or all of the common issues,**  
5 **what is this theme or issue?**

6 A: The biggest and most disputed item in this arbitration is the location and  
7 significance of the point of interconnection ("POI"). The POI is the location  
8 which defines a physical interconnection point. It also defines the division of  
9 responsibilities, including financial obligations, between the RLECs and Charter.  
10 The RLECs insist that the POI be physically located within the RLECs' respective  
11 networks. Charter wants to leave the POIs undefined.  
12

13 I recommend this Commission affirm the RLEC position and require each of  
14 Charter's POIs to be located within the RLECs' networks. After this issue is  
15 resolved, many of the common unresolved issues follow this issue.  
16

17 Issue No. 1

18 *Under what circumstances should indirect interconnection and direct interconnection,*  
19 *respectively, be required pursuant to the Agreement?*  
20

21 **Q: What is the RLECs' position on issue number 1?**

22 A: The RLECs seek direct interconnection with Charter. Direct interconnection is  
23 the preferred interconnection method since it provides greater control over how

1 traffic is exchanged and what type of traffic is exchanged between the Parties.  
2 While Section 251 of the Communications Act of 1934, as amended ("Act")  
3 permits indirect interconnection,<sup>1</sup> indirect interconnection is not a mandated form  
4 of interconnection. This means that no CLEC can force indirect interconnection  
5 on an RLEC for the exchange of traffic subject to Section 251. Furthermore,  
6 there is no support in the Act to force indirect interconnection for EAS routes and  
7 none of the RLEC/RBOC EAS routes use indirect interconnection.

8

9 **Q: Do you agree with Mr. Cornelius that the establishment of an EAS calling**  
10 **areas is where the "LEC is essentially committing to its customers that it is**  
11 **going to deliver their call to any called party with a telephone number that is**  
12 **assigned to a rate center within the local/EAS calling area that the LEC has**  
13 **defined."?**

14 **A:** No. This statement does not describe precisely a typical EAS arrangement. First,  
15 the EAS calling areas have not been defined by the RLECs, but by the  
16 Commission in response to customer petitions due to community of interest  
17 concerns of neighboring towns. When the Commission found there was a  
18 sufficient community of interest, it ordered the RLECs to implement EAS routes  
19 with the neighboring incumbent local exchange carriers. Second, the fact that a  
20 telephone number is assigned to a particular rate center does not necessarily mean  
21 calls to that number should be treated as EAS calls. The standard for opening  
22 NPA-NXX codes states that carriers must make arrangements for interconnection

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<sup>1</sup> See 47 U.S.C. § 251(a)(1).



1 with all carriers affected by the code opening prior to the code effective date.<sup>2</sup>

2 Connecting carriers are not required to open and treat new codes as EAS until  
3 such arrangements are secured. Even after the codes are opened, the EAS  
4 arrangement is not automatic. This Commission has recently reaffirmed that the  
5 telephone number assigned to a rate center does not establish the jurisdiction of  
6 the call. Rather, the physical location of the called party is very important in  
7 determining the jurisdiction of the call. If an RLEC opens a code as local to end  
8 users and finds that the code actually terminates to customers outside the calling  
9 area (VNXX call), the Commission allows the originating carrier to charge the  
10 terminating carrier access charges just as they do for other toll calls. Third, EAS  
11 routes are not established between areas, but between the carriers to originate and  
12 terminate the calls. In all RLEC/RBOC EAS routes, there are direct  
13 interconnection arrangements between the RLECs and BellSouth or Verizon.

14  
15 **Q: What problems arise when indirect interconnection is used by CLECs?**

16 A: In many instances indirect interconnection leads to the problem of identification  
17 of traffic. When a CLEC fails to populate the necessary information or a transit  
18 carrier fails to pass this necessary information to the RLEC, the RLEC is unable  
19 to properly account for the traffic it receives. In certain instances the industry has  
20 seen carriers deliberately misidentify and or manipulate this information so as to  
21 avoid proper payment for traffic. To avoid this problem, the RLECs seek direct  
22 interconnection arrangements. To date, the RLECs have established direct

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<sup>2</sup> See ATIS-0300037 - Intercompany Responsibilities Within the Telecommunications Industry Issue 3.

1 interconnection in all of their traffic exchange agreements. These traffic  
2 exchange agreements are most commonly with commercial mobile radio service  
3 ("CMRS") providers.

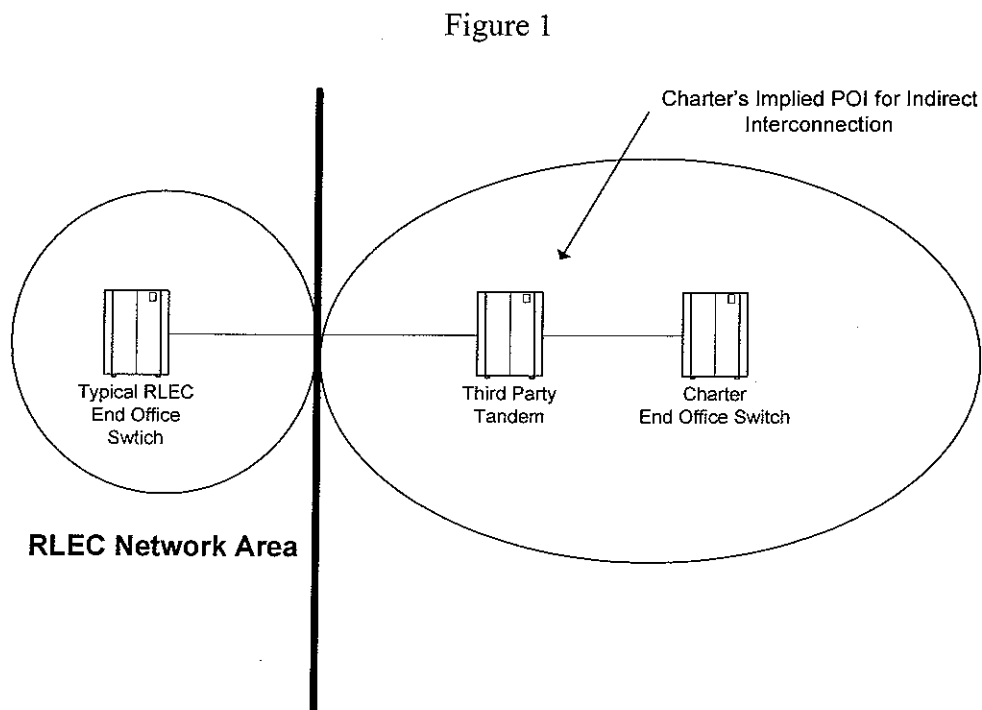
4  
5 Another problem that arises with indirect interconnection is the dispute on where  
6 the POI between the two carriers resides. In addition to representing the physical  
7 interconnection point, the POI is also used to determine the financial obligations  
8 among the two interconnecting carriers. With an undetermined POI and an  
9 indirect interconnection, the CLECs may argue the POI is at a location outside the  
10 RLEC service area and attempt to place financial obligations and regulatory  
11 burdens upon the RLEC that go beyond what is contemplated by the Act. In this  
12 proceeding, Charter argues that identification of the POI is not necessary to  
13 execute this Agreement; yet it assigns to the RLECs financial responsibility for  
14 delivery of traffic to the third party tandem. I disagree with Charter's suggestion  
15 that it is not necessary to identify the POI in this agreement. The location of the  
16 POI is central to this issue as well as to issues 2, 4, and 6. There can be no  
17 agreement without the establishment of the POI because the POI defines the  
18 responsibilities of each party – financial and otherwise. The RLECs firmly  
19 established in their response to the Charter Petitions that unless the RLECs  
20 voluntarily agree otherwise, Charter's POIs must be on each of the RLECs'  
21 respective networks.

1 **Q: Is it true, as Charter suggests, that the RLECs have already agreed to**  
2 **indirect interconnection by entering into a transit agreement with BellSouth?**

3 A: No. The BellSouth transit agreement simply recognizes that there is a "phantom  
4 traffic" issue, and attempts to deal with that problem as it exists today. The  
5 problem was not created by the RLECs and, in fact, the existence of this problem  
6 demonstrates why there is a need to have direct control over traffic through direct  
7 interconnection agreements.

8  
9 **Q: Why has the location of the POI created such controversy in this negotiation?**

10 A: Charter would like to establish a POI outside the networks of the RLECs. Figure  
11 1 shows the effective interconnection POI implied by Charter for indirect  
12 interconnection.



1 This location is outside the RLECs' network areas and imposes financial  
2 obligations beyond what is contemplated by the Act and the interpretations of the  
3 FCC. Charter's position is contrary to the rights and obligations established by  
4 Congress regarding traffic subject to Section 251.

5  
6 **Q: Where in the Act does Congress discuss the POI?**

7 A: Section 251(c)(2) of the Act specifically references the duty to provide  
8 interconnection with the local exchange carrier's network at "any technically  
9 feasible point within the carrier's network" for the "transmission and routing of  
10 telephone exchange service and exchange access."<sup>3</sup> This duty is in Section 251(c)  
11 and addresses specific duties for incumbent local exchange carriers.<sup>4</sup> According  
12 to the FCC, this Section 251(c) contains the most burdensome duties that can be  
13 placed on the incumbent.<sup>5</sup> Hence, even under the most burdensome  
14 interconnection duty under Section 251 (Section 251(c)), the POI is established  
15 within the incumbent's network.<sup>6</sup> It is not logical to suggest that the RLECs  
16 should be responsible for the transmission of traffic beyond their networks based  
17 on the less burdensome interconnection duty of Section 251(a) when carriage

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<sup>3</sup> Excerpts from 47 U.S.C. § 251(c)(2).

<sup>4</sup> The RLECs are currently exempt from the duty to accept any technically feasible point within their networks – as dictated by Charter – as the POI. Charter may not mandate where the POI is located within each of the RLECs' networks.

<sup>5</sup> The FCC represents a hierarchy of duties in Section 251, part (a) being general, part (b) being more burdensome and part (c) being the most burdensome. *See Total Telecommunications Services, Inc., and Atlas Telephone Company, Inc., v. AT&T Corporation*, 16 F.C.C.R. 5726 (Mar. 13, 2001) (*Atlas II*).

<sup>6</sup> Absent mutual agreement otherwise, the obvious location for a POI within the RLEC network is at the switch location. Piedmont and West Carolina have end office/tandem locations where carriers logically interconnect. Chesnee offers its end office as the POI location. Lockhart's host switch is located at Chester: this location is the best feasible location for a POI within the Lockhart network facilities.

1 outside their networks is not required under the most burdensome Section 251(c)  
2 obligations for an incumbent LEC.

3 Charter would like to have the Commission determine that the POI can be outside  
4 the RLEC network and thereby place undue financial and regulatory burdens on  
5 the RLECs. These burdens include the obligation to carry local traffic beyond  
6 their networks and pay for the expenses related to this carriage, including but not  
7 limited to transit traffic fees. The Commission should reject Charter's position  
8 and require that the POI be located within the RLECs' networks at the locations  
9 offered by the RLECs.<sup>7</sup> Furthermore, the Commission should reinforce the policy  
10 that the POI establishes financial obligations for the carriage of local traffic. On  
11 the RLEC side of the POI, the RLEC should be responsible for the costs to carry  
12 traffic; and on Charter's side of the POI, Charter should be responsible for the  
13 costs to carry traffic.<sup>8</sup>

14  
15 **Q: How does the originating carrier pay for transport and termination of traffic**  
16 **provided by other carriers?**

17 **A:** Local interconnecting carriers establish a POI according to the FCC rules and  
18 policy. The originating carrier is responsible for the costs of delivering its traffic

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<sup>7</sup> In Charter's interconnection agreement with BellSouth, Charter accepts: "Network interconnection may be provided by the Parties at any technically feasible point within BellSouth's network. Requests to BellSouth for interconnection at points other than as set forth in this Attachment may be made through the Bona Fide Request/New Business Request (BFR/NBR) process set out in this Agreement. The IP must be located within BellSouth's serving territory in the LATA in which traffic is originating. The IP determines the point at which the originating Party shall pay the terminating Party for the Call Transport and Termination of Local Traffic, ISP-bound Traffic and IntraLATA Toll Traffic." (Section 3.2 BellSouth Attachment 3 – Network Interconnection, agreement with Level 3 on Feb. 28, 2003, adopted by Charter Fiberlink on June 23, 2004.)

<sup>8</sup> Charter accepts the financial obligation on its side of the IP – or POI in our context – with BellSouth: "Each Party has the obligation to install the appropriate trunks and associated facilities on its respective side of the Interconnection Point and is responsible for bearing its own costs on its side of the Interconnection Point." (*Id.* Section 3.3.1)

1 to the POI. The terminating LEC then applies a reciprocal compensation rate to  
2 compensate it for terminating the traffic from the POI to the called party.<sup>9</sup> For  
3 traffic not subject to Section 251, an IXC typically receives outbound traffic at a  
4 POI and carries the traffic to locations outside the RLEC network. The IXC is  
5 financially responsible for this traffic.

6  
7 **Q: What is your response to Charter's discussion regarding EAS routing?**

8 A: Charter fails to realize that the provisions of interconnection are established for  
9 traffic subject to Section 251. Much of Charter's discussion is irrelevant to this  
10 proceeding because it fails to harmonize its EAS discussion with the provisions of  
11 the Act.<sup>10</sup>

12  
13 **Q: What is your recommendation to this Commission for unresolved issue**  
14 **number 1?**

15 A: I recommend the Commission require direct interconnection facilities be used to  
16 interconnect the RLECs and Charter. The Commission should not require indirect

---

<sup>9</sup> 47 CFR § 51.701 defines the following terms:

(c) Transport. For purposes of this subpart, transport is the transmission and any necessary tandem switching of telecommunications traffic subject to Section 251(b)(5) of the Act from the interconnection point between the two carriers to the terminating carrier's end office switch that directly serves the called party, or equivalent facility provided by a carrier other than an incumbent LEC.

(d) Termination. For purposes of this subpart, termination is the switching of telecommunications traffic at the terminating carrier's end office switch, or equivalent facility, and delivery of such traffic to the called party's premises.

(e) Reciprocal compensation. For purposes of this subpart, a reciprocal compensation arrangement between two carriers is one in which each of the two carriers receives compensation from the other carrier for the transport and termination on each carrier's network facilities of telecommunications traffic that originates on the network facilities of the other carrier.

<sup>10</sup> Under the FCC's escalating hierarchy, having the CLEC dictate a POI within an ILEC network is the most burdensome interconnection responsibility in Section 251. Placing a POI outside the RLEC network for traffic subject to Section 251 is more burdensome than the Section 251(c)(2) duty because it places the financial responsibility of traffic delivery to an unknown location beyond the service area of the RLEC.

1 facilities. Utilizing indirect trunks via the BellSouth tandem is especially  
2 inappropriate for West Carolina, Piedmont and Lockhart because their end office  
3 NPA-NXXs are not even homed on the BellSouth tandem. For these RLECs,  
4 routing traffic via the BellSouth tandem is not recognized as a proper routing  
5 arrangement in the Local Exchange Routing Guide ("LERG"), which is the  
6 national database for routing of calls.

7  
8 I have had prepared Exhibit DDM-01 which shows the disputed language related  
9 to issue number 1 and all other common issues raised by Charter. In the first  
10 column, I have placed the RLECs proposed language. The second column shows  
11 Charter's proposed language. The Commission should adopt the RLEC proposed  
12 language.

13  
14 Issue No. 2

15 *Which party should bear the costs of transiting traffic?*

16  
17 **Q: What is transiting traffic?**

18 **A:** Transiting traffic is traffic that is indirectly routed between two parties in which a  
19 third party tandem, as listed in the LERG, switches the traffic for delivery.

1    **Q:    If the Commission were to require direct interconnection between the**  
2           **RLECs and Charter, would there be transiting traffic?**

3    A:    No. With direct interconnection, the two carriers exchange traffic directly and do  
4           not use a transiting carrier.<sup>11</sup>

5

6    **Q:    If the Commission were to permit indirect interconnection – for small traffic**  
7           **volumes – should the RLECs pay for transiting in the delivery of RLEC**  
8           **traffic to Charter at a point outside the RLEC networks?**

9    A:    No. The financial responsibility of the RLECs should stop at the POI, which must  
10          be within the RLEC network. If Charter chooses to use indirect interconnection  
11          this transmission choice is performed on Charter's side of the POI and Charter  
12          should be responsible for any transit fees for both originating and terminating  
13          traffic.

14

15          Charter argues that the RLECs have a financial responsibility to deliver local  
16          traffic to a POI outside the RLEC network. This should not happen. The  
17          financial obligation of the RLECs for originating transport under this Agreement  
18          should end at the POI located within the RLEC networks. The RLEC should not  
19          be responsible for third party transiting fees.

20

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<sup>11</sup> There is a provision in the agreement to have routing indirectly through the third party tandem in the case of emergency, temporary equipment failure, overflow or blocking. These are exceptions to the use of direct interconnection facilities. (See Proposed Agreement, Section 2.4)



1   **Q:     Charter appeals to Section 51.703(b) in support of its position. Do you agree**  
2         **with Charter's use of this rule in this proceeding?**

3   A:    No. This rule is misapplied. In the 1990s certain LECs charged CMRS providers  
4         a traffic originating fee for non-interexchange traffic. After passage of the Act,  
5         the FCC required that LECs not charge CMRS providers – or any other carrier for  
6         that matter – for terminating LEC-originated traffic.<sup>12</sup> The rule states: “A LEC  
7         may not assess charges on any other telecommunications carrier for  
8         telecommunications traffic that originates on the LEC's network.”<sup>13</sup> Charter  
9         suggests that transit fees assessed by BellSouth (a third party transit provider)  
10        violate this rule.

11  
12        In the context of BellSouth transit services, the RLEC would not be assessing  
13        transit fees because the RLEC is not performing the transit function. Rather,  
14        BellSouth would be applying transit service fees to Charter for traffic it switches  
15        on Charter's side of the POI. The rule is not violated in this case because the  
16        RLECs do not charge Charter for non-interexchange originated traffic. Neither  
17        the history of this rule nor the facts surrounding transit traffic fees appear to apply  
18        in this case.

19

---

<sup>12</sup> See First Report and Order, CC Docket Nos. 96-98 and 95-185, FCC 96-325 (“Local Competition Order”) at ¶ 1041 for a discussion of “CMRS-related issues.” Paragraph 1042 states: “a LEC may not charge a CMRS provider or other carrier for terminating LEC-originated traffic.”

<sup>13</sup> 47 CFR § 51.703(b).

1   **Q:    What is your recommendation on unresolved issue number 2?**

2    A:    The Commission should adopt the RLEC language in Exhibit DDM-01 for issue  
3           number 2. This language will ensure that transit service, as currently defined in  
4           the Agreement, is applied as discussed above and that any transit fees shall be the  
5           sole responsibility of Charter.

6

7    Issue No. 3

8    

*If the parties interconnect their networks directly, where should the POI be located?*

9

10   **Q:    Is it necessary to resolve this issue for the Interconnection Agreement?**

11   A:    Yes. Charter suggests that this issue can be deferred if there is not mutual  
12          agreement. I disagree. This issue is central to many of the issues in this  
13          arbitration. The POI is necessary because as well as a physical interconnection  
14          point, the POI establishes the point where on their respective sides, each carrier  
15          should be financially responsible for the costs associated with the traffic. Even  
16          under indirect interconnection, the POI should be established within the RLEC  
17          network in order to clarify the financial responsibilities of each party.

18

19   **Q:    Does Charter agree the POI establishes the point where financial obligations  
20          begin and end when the Parties interconnect using their fiber facilities?**

21   A:    Yes. Charter has already agreed to recognize that the POI establishes where the  
22          financial obligation of the RLECs ends when fiber facilities are used for the direct  
23          interconnection known as a "Fiber Meet Point". When Charter elects not to use a

1 Fiber Meet Point, Charter apparently wants the POI outside the RLEC network  
2 and seeks to require the RLECs to pay all costs associated with delivery of local  
3 traffic to this distant POI. I have already expressed my view that this position is  
4 not supported by the Act as interpreted by the FCC.

5  
6 **Q: What is your recommendation on issue number 3?**

7 A: The POI must be located within the RLEC network. The RLECs suggest that  
8 their switch locations are optimal locations within their respective networks for  
9 the location of the POI with Charter. Charter did not provide any testimony on  
10 this issue and has not proposed any POI locations in its Petitions. I recommend  
11 the Commission adopt the RLEC position that the POIs must be within the RLEC  
12 networks and the RLEC switch locations are the suitable locations for the  
13 respective POIs. I urge the Commission adopt the RLEC language for this issue I  
14 have reproduced in Exhibit DDM-01.

15  
16 I also recommend the Commission affirm that the location of the POI establishes  
17 the financial responsibility of each carrier for originating and, because of the  
18 already agreed to bill and keep provision reciprocal compensation, terminating  
19 traffic.

2 *If either party is unable to arrange for or maintain transit service for the originated*  
3 *traffic, or if the parties are unable to agree upon the provisioning and quantity of two-*  
4 *way trunks, shall one-way trunks be used by a party to deliver its originated traffic to*  
5 *the other party?*  
6

7 **Q: Why does Charter seek one-way trunks?**

8 A: I believe Charter wants the option to deploy one-way trunks because it thinks this  
9 will help establish a POI outside the RLEC network. Charter wants the POI of a  
10 one-way trunk to be the end of the one-way trunk. So if Charter can force the  
11 RLECs to use one-way trunks, it would like to establish the POI at Charter's  
12 switch. Charter's claim fails on two grounds: (1) one-way trunks are not an  
13 efficient way to exchange traffic, and (2) the use of one-way trunks by RBOCs  
14 shows these trunks are required to remain within the incumbent network.  
15

16 **Q: Please explain the problems with one-way trunks for network efficiency.**

17 A: My understanding is that there are technical efficiencies in two-way trunks.  
18 Charter applauds efficiency in its Direct Testimony; however, seemingly this  
19 position about one-way trunks is inconsistent.  
20

1   **Q:    Does BellSouth permit the use of one-way trunks in its interconnection**  
2           **agreements?**

3   A:    Yes, with certain conditions. For example, BellSouth's 2004 agreement with a  
4           CMRS carrier explains how using one-way trunks is limited to the incumbent  
5           network area: "BellSouth will provide and bear the cost of a one-way trunk group  
6           to provide for the delivery of Local Traffic from BellSouth to Carrier's POI  
7           within BellSouth's service territory and within the LATA, and Carrier will  
8           provide and bear the cost of trunk groups for the delivery of Carrier's originated  
9           Local Traffic and for the receipt and delivery of Transit Traffic to the POI(s)  
10          within BellSouth's service territory and within the LATA."<sup>14</sup>

11

12   **Q:    Do other RBOCs have similar provisions for one-way trunks?**

13   A:    Yes. Verizon requires conditions similar to BellSouth in the use of one-way  
14          trunks: one-way trunks are to be used only within Verizon's network. Verizon's  
15          comprehensive agreement (June 2005) states: "Where the Parties use One-Way  
16          Interconnection Trunks for the delivery of traffic from Verizon to [CLEC],  
17          Verizon, at Verizon's own expense, shall provide its own facilities for delivery of  
18          the traffic to the technically feasible Point(s) of Interconnection on Verizon's  
19          network in a LATA."<sup>15</sup> This states when Verizon uses one-way trunks, the  
20          destination point is at a location within Verizon's network.

21

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<sup>14</sup> Agreement between BellSouth Telecommunications, Inc. and North Carolina RSA 3 Cellular Telephone Company d/b/a Carolina West Wireless, December 2, 2004.

<sup>15</sup> Verizon Comprehensive Agreement, June 2005, Section 1.1.3

1    **Q:    What is your recommendation on this issue?**

2    A:    The parties have already agreed to use two-way trunks. Two-way trunks are more  
3           efficient and should be used.

4

5           If one-way trunks are used, it should be clear that the financial obligation for  
6           these trunks is the same as for the two-way trunks. Meaning, the financial  
7           obligation of the RLECs ends at the POI that is located within each of the RLECs'  
8           networks.

9

10   Issue No. 5

11       *If Charter elects to establish a Fiber Meet Point, should the location of the [POI] be*  
12               *determined by agreement of the parties?*

13

14   **Q:    What is your recommendation for this issue?**

15   A:    In this arbitration Charter did not request services under Section 251(c)(2) and  
16           therefore cannot invoke Section 251(c)(2) rights permitting it to dictate the  
17           location of the Fiber Meet Point in this Agreement. The RLECs believe Fiber  
18           Meet Points can be mutually agreed upon so long as the Fiber Meet Point is  
19           located on the network of each RLEC.

20

1 Issue No. 6

2 *Should the parties bear their respective costs for interconnection on their respective*  
3 *sides of the POI? And secondly, if the ILEC is require or requested to build new*  
4 *facilities, which party should bear the costs of construction, and under what*  
5 *circumstances?*  
6

7 **Q: Has the second question in issue number 6 been resolved?**

8 **A:** Yes. The parties have agreed to language regarding the second question.  
9

10 **Q: What is your recommendation for the first question of this issue?**

11 **A:** I recommend the Commission affirm the fact that Charter may not unilaterally  
12 dictate where the POI is located within the RLECs' networks. Interconnection is  
13 available where facilities exist. The specific POI location is best identified with  
14 mutual consent. Absent any locations identified by Charter in the RLECs'  
15 respective networks, the Commission should adopt the RLECs' proposed  
16 locations. As I have discussed in my response to previous issues, the POI should  
17 represent the location where the parties accept the costs of interconnection on  
18 each of their respective sides of the POI and the POI must be on the RLECs'  
19 respective networks.

2 *Should the Agreement state that compensation for traffic is for the transport and*  
3 *termination of such traffic and that the same compensation terms apply whether the*  
4 *parties exchange traffic directly or indirectly, and what should be the terms of the*  
5 *compensation?*  
6

7 **Q: Does transport and termination of traffic relate to the concept of reciprocal**  
8 **compensation?**

9 A: Yes. The FCC defines a reciprocal compensation arrangement as an arrangement  
10 between two carriers “for the transport and termination on each carrier’s network  
11 facilities of telecommunications traffic that originates on the network facilities of  
12 the other carrier.”<sup>16</sup>  
13

14 **Q: Have the parties already agreed to a bill and keep regime for reciprocal**  
15 **compensation?**

16 A: Yes.  
17

18 **Q: If the Commission permitted indirect interconnection between Charter and**  
19 **the RLECs, do you recommend that the current Agreement for reciprocal**  
20 **compensation be applied to indirect and direct interconnection?**

21 A: Yes, provided the POI is properly located within the RLEC network.  
22

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<sup>16</sup> See 47 CFR § 51.701(e).



1    **Q:    Does your recommendation require Charter to pay third party transiting**  
2           **fees for all traffic?**

3    A:    Yes, but only if direct interconnection is not required.  If Charter chooses to use  
4           indirect interconnection on its side of the POI, then it should be responsible for all  
5           transit fees.  Transit fees are applied in lieu of actual facilities that Charter would  
6           have used to reach the POI located within the RLECs' respective networks if the  
7           parties were directly connected.  Thus it is appropriate for Charter to be  
8           financially responsible for all costs on its side of the POI.

9

10   **Q:    Does this end your testimony on the common unresolved issues?**

11   A:    Yes.

12

## EXHIBIT DDM-01

## Disputed Language Matrix

**Issue 1 - Under what circumstances should indirect interconnection and direct interconnection, respectively, be required pursuant to the Agreement?**

RLEC PROPOSED LANGUAGE	CHARTER PROPOSED LANGUAGE
<p><i>[Interconnection Attachment]</i></p> <p>2. Interconnection</p> <p>2.1 The Parties shall exchange Local/EAS Traffic and ISP-Bound Traffic over Direct Interconnection Facilities between their networks. The Parties agree to physically connect their respective networks so as to exchange such Local/EAS Traffic and ISP-Bound Traffic, with the Point of Interconnection (POI) designated at ILEC's switch (XXXXXXXXX).</p> <p><i>[RLECs do not propose language regarding indirect interconnection]</i></p>	<p><i>[Interconnection Attachment]</i></p> <p>2. Interconnection</p> <p>The Parties shall exchange Local/EAS Traffic and ISP-Bound Traffic (collectively referred to from time to time hereafter as "Traffic") over either Indirect or Direct Interconnection Facilities or a Fiber Meet Point between their networks. The Parties agree to physically connect their respective networks, directly or indirectly, so as to exchange such Local/EAS Traffic and ISP-Bound Traffic, with the Point of Interconnection (POI) as described below.</p> <p>2.1 Indirect Interconnection</p> <p>2.1.1 Either Party may deliver Local/EAS Traffic and ISP Bound Traffic indirectly to the other for termination through any carrier to which both Parties' networks are interconnected directly or indirectly. The Party originating the Local/EAS Traffic and ISP Bound Traffic shall bear all charges payable to the transiting carrier(s) for such transit services with respect to Local/EAS Traffic and ISP Bound Traffic and shall bear the cost of all facilities necessary to deliver the Traffic to the transiting carrier.</p> <p>2.1.2 Unless otherwise agreed, the Parties shall exchange all Traffic indirectly through one or more transiting carriers until the total volume of Traffic being exchanged between the Parties' networks exceeds the Crossover Volume (as hereinafter defined), at which time either Party may request the establishment of Direct Interconnection. Notwithstanding the foregoing, if either Party is unable to arrange for</p>

## Disputed Language Matrix

RLEC PROPOSED LANGUAGE	CHARTER PROPOSED LANGUAGE
<p>[RLEC Section 2.2 compares to Charter's Sections 2.2.1 &amp; 2.2.3]</p> <p>2.2 Direct Interconnection Facilities between the Parties' networks shall be provisioned as two-way interconnection trunks. The POI is the location where one Party's operational and financial responsibility begins, and the other Party's operational and financial responsibility ends. Each Party will be financially responsible for all facilities and traffic located on its side of the POI. If the Parties agree to two-way trunk groups to exchange Traffic, they will mutually coordinate the provisioning and quantity of trunks. The supervisory signaling specifications, and the applicable network channel interface codes for the Direct Interconnection Facilities, are the same as those used for Feature Group D Switched Access Service, as described in ILEC's applicable Switched Access Services tariff.</p>	<p>or maintain transit service for its originated Traffic upon commercially reasonable terms before the volume of Traffic being exchanged between the Parties' networks exceeds the Crossover Volume, that Party may unilaterally at its sole expense utilize one-way trunks(s) for the delivery of its originated Traffic to the other Party. For purposes of this Agreement, Crossover Volume means a total bi-directional volume of Local/EAS Traffic exceeding [XXXXX] minutes per month for three (3) consecutive months.</p> <p>2.1.3 After the Parties have established Direct Interconnection between their networks, neither Party may continue to transmit its originated Traffic indirectly except on an overflow basis.</p> <p>2.1.4 Traffic exchanged by the Parties indirectly through a transiting carrier shall be subject to the same reciprocal compensation as provided in Section 3.2. Nothing herein is intended to limit any ability of the terminating Party to obtain compensation from a transiting carrier for Traffic transmitted to the terminating Party through such transiting carrier.</p> <p>2.2 Direct Interconnection</p> <p>2.2.1 At such time as either Party requests Direct Interconnection as provided in Section, Direct Interconnection Facilities between the Parties' networks shall be established. The Direct Interconnection Facilities shall be provisioned as two-way interconnection trunks, where technically feasible. The POI is the location where one Party's operational and financial responsibility begins, and the other Party's operational and financial responsibility ends. Each Party will be financially responsible for all facilities and traffic located on its side of the POI except as otherwise stated herein. If the Parties agree to two-way trunk groups to exchange Traffic, they will mutually coordinate the provisioning and quantity of trunks. To the extent that</p>

## Disputed Language Matrix

RLEC PROPOSED LANGUAGE	CHARTER PROPOSED LANGUAGE
	<p>the Parties are unable to agree upon the provisioning and quantity of two-way trunks, each Party shall use one-way trunks to deliver its originated Traffic to the other Party. The supervisory signaling specifications, and the applicable network channel interface codes for the Direct Interconnection Facilities, are the same as those used for Feature Group D Switched Access Service, as described in ILEC's applicable Switched Access Services tariff.</p> <p>2.2.3 The Parties shall endeavor to establish the location of the POI by mutual agreement. Until the POI for Direct Interconnection is determined the Parties shall continue to exchange Traffic Indirectly. In selecting the POI, both Parties will act in good faith and select a point that is reasonably efficient for each Party. If the Parties are unable to agree upon the location of the POI, then the POI shall be determined pursuant to the Dispute Resolution provisions of this Agreement.</p>

## Disputed Language Matrix

## Issue 2 - Which party should bear the costs of transiting traffic?

RLEC PROPOSED LANGUAGE	CHARTER PROPOSED LANGUAGE
[RLECs do not propose language regarding indirect interconnection]	<p data-bbox="1094 334 1472 367"><i>[Interconnection Attachment]</i></p> <p data-bbox="1094 407 1499 440">2.1 Indirect Interconnection</p> <p data-bbox="1094 480 2003 773">2.1.1 Either Party may deliver Local/EAS Traffic and ISP Bound Traffic indirectly to the other for termination through any carrier to which both Parties' networks are interconnected directly or indirectly. The Party originating the Local/EAS Traffic and ISP Bound Traffic shall bear all charges payable to the transiting carrier(s) for such transit services with respect to Local/EAS Traffic and ISP Bound Traffic and shall bear the cost of all facilities necessary to deliver the Traffic to the transiting carrier.</p> <p data-bbox="1094 813 2003 1333">2.1.2 Unless otherwise agreed, the Parties shall exchange all Traffic indirectly through one or more transiting carriers until the total volume of Traffic being exchanged between the Parties' networks exceeds the Crossover Volume (as hereinafter defined), at which time either Party may request the establishment of Direct Interconnection. Notwithstanding the foregoing, if either Party is unable to arrange for or maintain transit service for its originated Traffic upon commercially reasonable terms before the volume of Traffic being exchanged between the Parties' networks exceeds the Crossover Volume, that Party may unilaterally at its sole expense utilize one-way trunks(s) for the delivery of its originated Traffic to the other Party. For purposes of this Agreement, Crossover Volume means a total bi-directional volume of Local/EAS Traffic exceeding [XXXXX] minutes per month for three (3) consecutive months.</p>

## Disputed Language Matrix

## Issue 3 - If the parties interconnect their networks directly, where should the POI be located?

RLEC PROPOSED LANGUAGE	CHARTER PROPOSED LANGUAGE
<p><i>[Interconnection Attachment]</i></p> <p>2. Interconnection</p> <p>2.1 The Parties shall exchange Local/EAS Traffic and ISP-Bound Traffic over Direct Interconnection Facilities between their networks. The Parties agree to physically connect their respective networks so as to exchange such Local/EAS Traffic and ISP-Bound Traffic, with the Point of Interconnection (POI) designated at ILEC's switch (XXXXXXXXX).</p> <p><i>[RLEC Section 2.2 compares to Charter's Sections 2.2.1 &amp; 2.2.3]</i></p> <p>2.2 Direct Interconnection Facilities between the Parties' networks shall be provisioned as two-way interconnection trunks. The POI is the location where one Party's operational and financial responsibility begins, and the other Party's operational and financial responsibility ends. Each Party will be financially responsible for all facilities and traffic located on its side of the POI. If the Parties agree to two-way trunk groups to exchange Traffic, they will mutually coordinate the provisioning and quantity of trunks. The supervisory signaling specifications, and the applicable network channel interface codes for the Direct Interconnection Facilities, are the same as those used for Feature Group D Switched Access Service, as described in ILEC's applicable Switched Access Services tariff.</p>	<p><i>[Interconnection Attachment]</i></p> <p>2. Interconnection</p> <p>The Parties shall exchange Local/EAS Traffic and ISP-Bound Traffic (collectively referred to from time to time hereafter as "Traffic") over either Indirect or Direct Interconnection Facilities or a Fiber Meet Point between their networks. The Parties agree to physically connect their respective networks, directly or indirectly, so as to exchange such Local/EAS Traffic and ISP-Bound Traffic, with the Point of Interconnection (POI) as described below.</p> <p>2.2 Direct Interconnection</p> <p>2.2.1 At such time as either Party requests Direct Interconnection as provided in Section, Direct Interconnection Facilities between the Parties' networks shall be established. The Direct Interconnection Facilities shall be provisioned as two-way interconnection trunks, where technically feasible. The POI is the location where one Party's operational and financial responsibility begins, and the other Party's operational and financial responsibility ends. Each Party will be financially responsible for all facilities and traffic located on its side of the POI except as otherwise stated herein. If the Parties agree to two-way trunk groups to exchange Traffic, they will mutually coordinate the provisioning and quantity of trunks. To the extent that the Parties are unable to agree upon the provisioning and quantity of two-way trunks, each Party shall use one-way trunks to deliver its originated Traffic to the other Party. The supervisory signaling specifications, and the applicable network channel interface codes for the Direct Interconnection Facilities, are the same as those used for Feature Group D Switched Access Service, as described in ILEC's</p>

## Disputed Language Matrix

ILEC PROPOSED LANGUAGE	CHARTER PROPOSED LANGUAGE
<p>[The following compares to Charter Section numbered 2.3.3.4]</p> <p>2.4.2.1 ILEC shall designate a POI within the borders of the ILEC Exchange Area as a Fiber Meet Point, and shall make all necessary preparations to receive, and to allow and enable CLEC to deliver, fiber optic facilities into the POI with sufficient spare length to reach the fusion splice point at the Fiber Meet Point.</p>	<p>applicable Switched Access Services tariff.</p> <p>2.2.3 The Parties shall endeavor to establish the location of the POI by mutual agreement. Until the POI for Direct Interconnection is determined the Parties shall continue to exchange Traffic Indirectly. In selecting the POI, both Parties will act in good faith and select a point that is reasonably efficient for each Party. If the Parties are unable to agree upon the location of the POI, then the POI shall be determined pursuant to the Dispute Resolution provisions of this Agreement.</p> <p>2.3.3.4 The Parties shall agree upon and designate a POI as a Fiber Meet Point, and ILEC shall make all necessary preparations to receive, and to allow and enable CLEC to deliver, fiber optic facilities into the POI with sufficient spare length to reach the fusion splice point at the Fiber Meet Point.</p>



## Disputed Language Matrix

**Issue 4 - If either party is unable to arrange for or maintain transit service for the originated traffic, or if the parties are unable to agree upon the provisioning and quantity of two-way trunks, shall one-way trunks be used by a party to deliver its originated traffic to the other party?**

RLEC PROPOSED LANGUAGE	CHARTER PROPOSED LANGUAGE
<p><i>[Interconnection Attachment]</i></p> <p>[RLEC Section 2.2 compares to Charter's Sections 2.2.1 &amp; 2.2.3]</p> <p>2.2 Direct Interconnection Facilities between the Parties' networks shall be provisioned as two-way interconnection trunks. The POI is the location where one Party's operational and financial responsibility begins, and the other Party's operational and financial responsibility ends. Each Party will be financially responsible for all facilities and traffic located on its side of the POI. If the Parties agree to two-way trunk groups to exchange Traffic, they will mutually coordinate the provisioning and quantity of trunks. The supervisory signaling specifications, and the applicable network channel interface codes for the Direct Interconnection Facilities, are the same as those used for Feature Group D Switched Access Service, as described in ILEC's applicable Switched Access Services tariff.</p>	<p><i>[Interconnection Attachment]</i></p> <p>2.1.2 Unless otherwise agreed, the Parties shall exchange all Traffic indirectly through one or more transiting carriers until the total volume of Traffic being exchanged between the Parties' networks exceeds the Crossover Volume (as hereinafter defined), at which time either Party may request the establishment of Direct Interconnection. Notwithstanding the foregoing, if either Party is unable to arrange for or maintain transit service for its originated Traffic upon commercially reasonable terms before the volume of Traffic being exchanged between the Parties' networks exceeds the Crossover Volume, that Party may unilaterally at its sole expense utilize one-way trunks(s) for the delivery of its originated Traffic to the other Party. For purposes of this Agreement, Crossover Volume means a total bi-directional volume of Local/EAS Traffic exceeding [XXXXX] minutes per month for three (3) consecutive months.</p> <p>2.2 Direct Interconnection</p> <p>2.2.1 At such time as either Party requests Direct Interconnection as provided in Section, Direct Interconnection Facilities between the Parties' networks shall be established. The Direct Interconnection Facilities shall be provisioned as two-way interconnection trunks, where technically feasible. The POI is the location where one Party's operational and financial responsibility begins, and the other Party's operational and financial responsibility ends. Each Party will be</p>

## Disputed Language Matrix

ILEC PROPOSED LANGUAGE	CHARTER PROPOSED LANGUAGE
	financially responsible for all facilities and traffic located on its side of the POI except as otherwise stated herein. If the Parties agree to two-way trunk groups to exchange Traffic, they will mutually coordinate the provisioning and quantity of trunks. To the extent that the Parties are unable to agree upon the provisioning and quantity of two-way trunks, each Party shall use one-way trunks to deliver its originated Traffic to the other Party. The supervisory signaling specifications, and the applicable network channel interface codes for the Direct Interconnection Facilities, are the same as those used for Feature Group D Switched Access Service, as described in ILEC's applicable Switched Access Services tariff.

## Disputed Language Matrix

**Issue 5 - If Charter elects to establish a Fiber Meet Point, should the location of the [POI], designated as the fiber meet point POI, be determined by agreement of the parties?**

ILEC PROPOSED LANGUAGE	CHARTER PROPOSED LANGUAGE
<p><i>[Interconnection Attachment]</i></p> <p>[The following compares to Charter Section numbered 2.3.3.4]</p> <p>2.4.2.1 ILEC shall designate a POI within the borders of the ILEC Exchange Area as a Fiber Meet Point, and shall make all necessary preparations to receive, and to allow and enable CLEC to deliver, fiber optic facilities into the POI with sufficient spare length to reach the fusion splice point at the Fiber Meet Point.</p>	<p><i>[Interconnection Attachment]</i></p> <p>2.3.3.4 The Parties shall agree upon and designate a POI as a Fiber Meet Point, and ILEC shall make all necessary preparations to receive, and to allow and enable CLEC to deliver, fiber optic facilities into the POI with sufficient spare length to reach the fusion splice point at the Fiber Meet Point.</p>

## Disputed Language Matrix

## Issue 6 - Should the parties bear their respective costs for interconnection on their respective sides of the POI?

RLEC PROPOSED LANGUAGE	CHARTER PROPOSED LANGUAGE
<p><i>[Interconnection Attachment]</i></p> <p>2. Interconnection</p> <p>2.1 The Parties shall exchange Local/EAS Traffic and ISP-Bound Traffic over Direct Interconnection Facilities between their networks. The Parties agree to physically connect their respective networks so as to exchange such Local/EAS Traffic and ISP-Bound Traffic, with the Point of Interconnection (POI) designated at ILEC's switch (XXXXXXXX).</p> <p><i>[RLEC Section 2.2 compares to Charter's Sections 2.2.1 &amp; 2.2.3]</i></p> <p>2.2 Direct Interconnection Facilities between the Parties' networks shall be provisioned as two-way interconnection trunks. The POI is the location where one Party's operational and financial responsibility begins, and the other Party's operational and financial responsibility ends. Each Party will be financially responsible for all facilities and traffic located on its side of the POI. If the Parties agree to two-way trunk groups to exchange Traffic, they will mutually coordinate the provisioning and quantity of trunks. The supervisory signaling specifications, and the applicable network channel interface codes for the Direct Interconnection Facilities, are the same as those used for Feature Group D Switched Access Service, as described in ILEC's applicable Switched Access Services tariff.</p>	<p><i>[Interconnection Attachment]</i></p> <p>2. Interconnection</p> <p>The Parties shall exchange Local/EAS Traffic and ISP-Bound Traffic (collectively referred to from time to time hereafter as "Traffic") over either Indirect or Direct Interconnection Facilities or a Fiber Meet Point between their networks. The Parties agree to physically connect their respective networks, directly or indirectly, so as to exchange such Local/EAS Traffic and ISP-Bound Traffic, with the Point of Interconnection (POI) as described below.</p> <p>2.2 Direct Interconnection</p> <p>2.2.1 At such time as either Party requests Direct Interconnection as provided in Section, Direct Interconnection Facilities between the Parties' networks shall be established. The Direct Interconnection Facilities shall be provisioned as two-way interconnection trunks, where technically feasible. The POI is the location where one Party's operational and financial responsibility begins, and the other Party's operational and financial responsibility ends. Each Party will be financially responsible for all facilities and traffic located on its side of the POI except as otherwise stated herein. If the Parties agree to two-way trunk groups to exchange Traffic, they will mutually coordinate the provisioning and quantity of trunks. To the extent that the Parties are unable to agree upon the provisioning and quantity of two-way trunks, each Party shall use one-way trunks to deliver its originated Traffic to the other Party. The supervisory signaling specifications, and the applicable network channel interface codes for</p>

## Disputed Language Matrix

ILEC PROPOSED LANGUAGE	CHARTER PROPOSED LANGUAGE
<p>[The following compares to Charter Section numbered 2.3.3.4]</p> <p>2.4.2.1 ILEC shall designate a POI within the borders of the ILEC Exchange Area as a Fiber Meet Point, and shall make all necessary preparations to receive, and to allow and enable CLEC to deliver, fiber optic facilities into the POI with sufficient spare length to reach the fusion splice point at the Fiber Meet Point.</p>	<p>the Direct Interconnection Facilities, are the same as those used for Feature Group D Switched Access Service, as described in ILEC's applicable Switched Access Services tariff.</p> <p>2.3.3.4 The Parties shall agree upon and designate a POI as a Fiber Meet Point, and ILEC shall make all necessary preparations to receive, and to allow and enable CLEC to deliver, fiber optic facilities into the POI with sufficient spare length to reach the fusion splice point at the Fiber Meet Point.</p>

## Disputed Language Matrix

**Issue 8 - Should the Agreement state that compensation for traffic is for the transport and termination of such traffic and that the same compensation apply whether the parties exchange traffic directly or indirectly, and what should be the terms of the compensation?**

RLEC PROPOSED LANGUAGE	CHARTER PROPOSED LANGUAGE
[RLECs do not propose language regarding indirect interconnection]	<i>[Interconnection Attachment]</i>  2.1.4 Traffic exchanged by the Parties indirectly through a transiting carrier shall be subject to the same reciprocal compensation as provided in Section 3.2. Nothing herein is intended to limit any ability of the terminating Party to obtain compensation from a transiting carrier for Traffic transmitted to the terminating Party through such transiting carrier.

BEFORE  
THE PUBLIC SERVICE COMMISSION OF  
SOUTH CAROLINA

**CERTIFICATE OF SERVICE**

In Re:

Petition of Charter Fiberlink SC – CCO, LLC	)	
For Arbitration of Certain Terms and	)	
Conditions of Proposed Agreement with	)	
Chesnee Telephone Company, Inc.	)	Docket No. 2006-137-C
Concerning Interconnection under the	)	
Communications Act of 1934, as amended by	)	
the Telecommunications Act of 1996	)	

In Re:

Petition of Charter Fiberlink SC – CCO, LLC	)	
For Arbitration of Certain Terms and	)	
Conditions of Proposed Agreement with	)	
West Carolina Rural Telephone Cooperative, Inc.	)	Docket No. 2006-138-C
Concerning Interconnection under the	)	
Communications Act of 1934, as amended by	)	
the Telecommunications Act of 1996	)	

In Re:

Petition of Charter Fiberlink SC – CCO, LLC	)	
For Arbitration of Certain Terms and	)	
Conditions of Proposed Agreement with	)	
Lockhart Telephone Company	)	Docket No. 2006-139-C
Concerning Interconnection under the	)	
Communications Act of 1934, as amended by	)	
the Telecommunications Act of 1996	)	

In Re:

Petition of Charter Fiberlink SC – CCO, LLC )  
For Arbitration of Certain Terms and )  
Conditions of Proposed Agreement with )  
Piedmont Rural Telephone Cooperative, Inc. ) Docket No. 2006-142-C  
Concerning Interconnection under the )  
Communications Act of 1934, as amended by )  
the Telecommunications Act of 1996 )

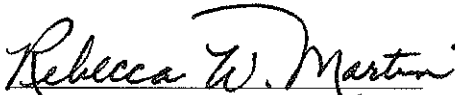
I, Rebecca W. Martin, Secretary for McNair Law Firm, P. A., do hereby certify that I have this date served one (1) copy of the Direct Testimony of Douglas Duncan Meredith on behalf of Chesnee Telephone Company, West Carolina Rural Telephone Cooperative, Inc., Lockhart Telephone Company, and Piedmont Rural Telephone Cooperative, Inc. in the above-referenced matters on the following parties of record by causing said copies to be deposited with the United States Postal Service, first class postage prepaid and affixed thereto, and addressed as shown below.

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July 20, 2006

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